



Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

Cynthia L. Johnson, Director
Cash Management Policy and Planning Division
Financial Management Service
U.S. Department of the Treasury
Room 420
401 14th Street, S.W.
Washington, D.C. 20227

DEC 16 1997

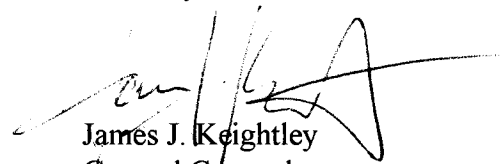
Dear Ms. Johnson:

On behalf of the Pension Benefit Guaranty Corporation ("PBGC"), I write to provide limited comments on Treasury's September 16, 1997 proposed rule captioned "Management of Federal Agency Disbursements." My comments address the issue of making vendor payments through electronic funds transfer ("EFT"), in particular, the remittance data problem that was identified and discussed in the proposed rule at page 48720, as published in the Federal Register.

Presently, when PBGC pays its vendors via EFT, the vendors oftentimes are unable to determine whose account should be credited. Our vendors do not receive complete payment descriptions from their financial institutions, and PBGC is sympathetic to and understands the problem of unavailable or incomplete remittance data frequently experienced by our vendors. Treasury's discussion of this problem, in connection with comments already received from other agencies in the wake of the interim rule, resonates at PBGC. PBGC receives numerous phone calls from vendors requiring assistance from PBGC personnel to research the payments of their invoices because vendors are unwilling to wait for receipt of their monthly bank statements to reconcile their accounts against outstanding invoices. Besides causing an internal drain on agency resources, PBGC vendors are reluctant to accept payment via EFT due to this remittance data problem.

PBGC is pleased to learn that Treasury is investigating methods to solve the problem, and that you expect an appropriate solution by January 1999. PBGC will continue to follow our implementation plan in connection with vendor payments through EFT, and we look forward to future guidance from you on the remittance data problem.

Sincerely,



James J. Keightley
General Counsel

cc: Joseph Grant, PBGC Chief Operating Officer
N. Anthony Calhoun, PBGC Chief Financial Officer

EFT
#131